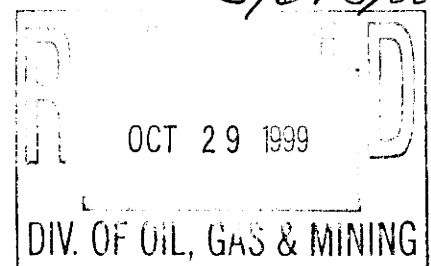


October 27, 1999

American Stone, Inc.
4040 South 300 West
Salt Lake City, Utah 84107



Mr. Anthony Gallegos
Division of Oil, Gas, and Mining
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Gallegos:

On October 26th, we received DOGM's Deficient Notice dated October 22, 1999, concerning the Santa Barbara Quarry, S/013/006, Duchesne County, Utah. Thank you for the information you provided over the phone.

We will address the items in the Deficient Notice in the order they were addressed. We have numbered the items for easier identification.

1. Initial development is basically an exploration project to determine whether the sandstone is suitable for building stone. The sandstone will be removed from existing ledges which are located near the jeep trail discussed in No. 4. A bulk sample of two truckloads; about 50 tons; will be excavated and tested for its suitability for building stone. If the sandstone is suitable for building stone, the property will be developed further; otherwise it will be reclaimed. We believe the sandstone has a good chance of having the qualities we seek. That is why we filed a Notice of Intention to Commence Small Mining Operations rather than a Notice of Intention to Conduct Exploration. We will plan to take pictures of the area prior to doing any work.

If the sandstone is suitable for building stone, development will continue with removal of sandstone from ledges. No definite plans have been made to create an excavation on the property. If we plan to create an excavation, we will file an amendment to the Notice describing its proposed length, width, and depth.

2. Re: Item number 6. The surface and mineral ownership are private. The current owner is:
Nancy McDonald
1596 E. 12th Street
Ogden, Utah 84404

American Stone, Inc. has entered a purchase agreement to purchase the property; subject to the bulk sample being found suitable for building stone. If the purchase agreement is completed, American Stone, Inc. will become the owner of the surface and minerals.

3. Re: Item number 7. The operator has legal right to conduct mining operations on the land covered by the Notice by having signed the purchase agreement discussed in No. 2. Terms of access and development are covered in the purchase agreement.

4. The jeep trail noted on the Rabbit Gulch quad map has been improved by prior users to the point it will be useable by American Stone without further improvement. The jeep trail is about 12 feet wide. It is considered to be in good condition for a trail and it has a gentle grade. We will take pictures of the jeep trail prior to doing any development on the property. Should we "improve" the jeep trail, we understand we will be required to "unimprove" the jeep trail during reclamation.

The ledges where the sandstone is to be removed are located adjacent to the jeep trail. No new road construction is required at this time.

5. We will contact the Department of Environmental Quality to find out about their requirements. We will not be conducting a crushing operation, nor do we plan to use surface or underground water sources for our operation.

If you still need more information, please call me at (208) 678-3938 through November 1, or after that at American Stone's office in Salt Lake City at 262-4300.

Sincerely,

A handwritten signature in cursive script that reads "David Ryzak".

David Ryzak for

Lon Thomas, President, American Stone.